EXHIBIT 56

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Sent: 7/22/2014 10:43:45 PM
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Subject: Display and Video Ads: 2014 Mid-Year Check-in, Strategy Update (CONFIDENTIAL)

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Hi Team,

At the outset of 2014, we laid out ambitious goals for Display & Video Ads, focused around five key big bets: maintain our leadership in **performance advertising**; simplify our **brand** offering by leading with video; build for the always-connected consumer (**multi-screen, local, mobile apps**); establish the best **programmatic** platform; and focus on **user features** to meaningfully improve online ads.

More than half way through the year, we've made some spectacular progress: we've delivered more than 600 launches and are growing our multi-billion dollar business 30% YoY (the fastest rate in 3 years!) This success would not be possible without all your incredible work. Thank you!

Even though we've made some important leadership transitions, we remain focused on the same big bets for the remainder of the year. To better articulate how these changes will impact our work, we wanted to share with you some thoughts in advance of tomorrow's All Hands (please come with questions; here's the dory).

Leadership in Performance Advertising

Our core performance advertising offering remains the foundation of our business. Growth continues to be driven by ongoing innovation from our formats and ads quality teams, as well as our audience advertising solutions. We launched Tiamat, a new mobile-first text ad that delivered $70m in Q2 revenue impact. The Intentful Clicks launch eliminated ~5% of bad clicks on our mobile ads. In aggregate, even with our rigid adherence to user quality and advertiser ROI, we've improved RPM by 13% across desktop and mobile web and 6% across apps.

Going forward, the quality teams have ambitious goals: +8% network wide RPM increase (11% mGDN, 13% Apps) in Q3. To ensure we are positioned for success, we recently announced that all of these format and quality efforts have been consolidated into a single team. Our goal is to make sure that our ads quality PM and engineering teams function as one unit across desktop and mobile web and that a mobile-first approach drives all our efforts.

As many of you know, automated bidding and targeting is a huge area of opportunity for GDN. In Q2, we expanded our auto targeting product suite with AutoCat and Doppleganger, ~$100m ARR after one quarter! We have an ambitious goal to get 80% of new campaigns opted-in to auto-targeting. To help the engineering teams execute efficiently, Eisar recently announced the consolidated ownership of our auto optimization initiatives.

Audience based advertising and Dynamic Ads are the other growth pillar of our Performance advertising business. In the last six months, we've grown our dynamic remarketing efforts to 8+ verticals (including real estate, travel, classifieds) and are moving towards a global launch of a cross-vertical dynamic remarketing offering (DynamicX). We're also changing the game to compete in the market with all that GDN has to offer, expanding remarketing campaigns automatically to similar audiences (Doppleganger), with a goal to expand to all targeting types in H2. Finally, we launched in-market audiences, which, along with Affinity segments, will replace Interest Categories moving forward.

Our performance advertising solutions extend beyond the network to our O&O properties. To help us on the O&O front, we welcomed the Gmail ads team to Display & Video Ads in Q2. With their expertise, we plan to experiment with new ad experiences in Gmail, for example by integrating app install, TrueView video ads, or Google Shopping ads within Gmail. We'll also work to incorporate Gmail Sponsored Promotions into AWFE while focusing on new quality models to show

highly relevant ads. In order to focus on these new experiences, we have decided to stop our existing efforts around text ads in Gmail.

Brand: Helping Advertisers Build Awareness and Engagement Starting on YouTube

Built on the 300M hours of YouTube content watched per day, our Brand efforts are already a $3B+ business, growing more than 50% YoY. To further accelerate our work in this space, we recently decided to simplify our offering pivoting around two major advertiser goals: 1) driving awareness, and 2) creating engagement with users. Across both awareness and engagement goals, we will lead with a video product offering and extend it to Display if advertisers are looking for additional reach or have non-video assets to use.

To enable the simplified offering discussed above, we are eliminating many ancillary products, like Mobile Apps Reserve and GDN Reserve, and are consolidating others, such as a unified YouTube Masthead offering. We are also working on a streamlined experience for Brand campaign construction in AWFE. Finally, we've paused our efforts monetizing G+ users on GDN, and +Post ads will simply be integrated into the overall Engagement Ads offering. By simplifying our product offering, we aim to grow the number of always-on Brand advertisers far above the current count of 3,500.
In addition to simplifying our Brand offering, we have also made some significant improvements to it. Most notably, we launched Google Preferred, which enables advertisers to reserve premium content upfront on YouTube, just like they do on TV (here are our lineups for our <u>Food & Recipes</u> and <u>Music</u> lineups). We also launched Partner Select, for premium video off of YouTube, and a beta of Engagement Ads in AdMob.

One element anchoring our strategy for our Brand work is measurement. Just like the click is the de facto currency for performance advertising, we aim to make GRPs and Brand Lift the same for Brand. So far this year, we strengthened our measurement offering by promoting ActiveView as an industry-wide viewability standard, establishing partnerships with comScore and Nielsen to measure audiences (GRPs), and launching Brand Lift (based on surveys and searches).

Looking ahead, we plan to double down on user friendly mobile-formats (like 5-second video ads) and extend our measurement offerings to mobile. We also expect to widen the adoption of our Brand Lift products — our ambitious Q3 goal is to get 30% of Top Brands using Brand Lift. And as users spend more time on YouTube, we also need to figure out how to improve monetization of content longer than 10 minutes. To that end, we've set an ambitious target to grow long-form monetization by ~30%.

Reaching the Always-Connected Consumer: Multiscreen, Mobile Apps, Local Advertising

The ubiquity of connected devices means that users are online 24/7. Our mobile team has done an incredible job making the most of this trend. We've more than doubled our revenue YoY on mobile web and apps in the last year!

The backends for our cross-device and cross-web-apps technologies (Jumble, Mobius, Constellation) have all been built. Project Minecraft enables app developers to re-engage existing users and target new users based on apps already installed. We are also beta testing TrueView in-stream for mobile app promotion. Finally, we rolled out "<u>moment targeting</u>" to enable Brands like Nike to reach users in real-time as events happened during the World Cup.

The growth we are seeing is particularly impressive given the strong competition and policy issues we face. The team is firing on all cylinders but there is so much more we can do. Eisar <u>announced</u> a dedicated engineering team for building great experiences for app developers, and we have big goals for mobile apps for the rest of the year. Our cross-device conversion tracking solution will go live in AWFE soon, and we plan to expand coverage of Constellation, our cross device graph. We also will expand our app install offering to mobile web inventory and grow the set of services we offer our mobile publishers.

Local advertising is an essential ingredient of mobile advertising, but we want to ensure we are betting on the right initiatives. We <u>shut down</u> our effort around local CPG Offers earlier this year because scaling that business seemed daunting while the payoff was too far in the future to justify our continued investment. We still think there could be great opportunities in Local, like delivering ads to users based on location history, and the Local teams are thinking about how to approach this in Q3.

In addition to all of these efforts, we have the opportunity to completely reimagine how mobile advertising could work on the Android platform. To do this, we are exploring a premium mobile ad network for signed-in users across a selected set

of mobile apps. Ads quality would be driven by GAIA data and we could explore monetization based on lifetime value instead of instantaneous eCPMs. Stay tuned for more as we firm up our plans.

Establish a Leading Programmatic Platform

Our big, multi-year bet on programmatic continues to pay off: 35% of all media spend is now bought programmatically and it is a multi-billion dollar business for Google. With a proven business model, our attention now turns to sustaining that revenue growth which will involve simplifying our advertiser and publisher offerings.

We packaged our DCM and DBM business as one DoubleClick Digital Marketing (DDM) offering for large advertisers in 2013 and we aim to further integrate the products to provide our customers with one great experience. Our DBM business — fueled by deep agency relationships from DCM, last year's upgrade, and launches like FBX integration — has seen its growth rate double since last year and may actually achieve its $1B stretch goal for 2014. Going forward, we continue to work towards a simplified vision by making DBM the one place to buy all Display inventory-types (including YouTube inventory) and make it as easy as possible to get optimal return by re-using our awesome GDN infrastructure for optimization and serving (Skyray).

On the publisher side, we have two great products -- DFP and AdX -- but our customers are asking us for a more unified offering. 80% of DFP customers are also AdX customers. Building on a few months of careful planning, we just announced the formation of DRX (PM Announcement, Eng Announcement), the integration of our AdX and DFP products. We think there is $20B+ of untapped opportunity for us to realize here. An integrated solution will allow us to bring more DFP inventory into our auction, maximizing yield for our publishers. It will also help customers execute all deal types, whether direct, programmatic or some hybrid model (like Jordan) as efficiently as programmatic. Finally, streamlined efforts on things like a single UI and inventory management will give our teams time to focus on strategic bets, like building mobile yield management into DFP.

With DDM on the advertiser side, DRX on the publisher side, and our programmatic auction in between, our DoubleClick stack offers a comprehensive solution across display and video, desktop and mobile, for the world's largest media buyers and sellers.

Focus on User Features to Meaningfully Improve Online Ads

Putting the user first means ensuring users have great experiences online. This requires making our ads relevant, beautiful and non-invasive, cleaning up bad experiences, improving user security, and giving users choices about how to pay for content.

Earlier this year, we launched surveys to get more feedback on ad mute rates, and rolled out mobile ad settings which give users greater choice in the ads they see on mobile. We're also using the 10m daily mutes from 'Mute this Ad' (driven by a coverage increase of over 50% in Q2) to build algorithms that help us penalize and remove bad advertisers and publishers from our systems. Finally, we spent a lot of time preparing for an 'explorer' launch of Omega ads with 10,000 customers in Q3. This great progress should embolden all of us to think more broadly about what we can do to improve the online ad experience.

This means thinking beyond just what is contained in the ad itself. We must think about where those ads are placed on the page, how they fit in with the content surrounding them, and whether there should be ads on a particular page or app at all. In short, we must help our publishers optimize for long-term user value rather than short-term RPM gains. Projects like Cloverleaf and Triton, combined with efforts to surface best practices and insights to publishers regarding maximizing long-term user value will help with this goal.

Finally, we want our 'putting the user first' efforts to go beyond Google media in order to impact the wider industry. Our Doubleclick platforms, as well as our Chrome and Android platforms, offer us a stage to bring visibility to the problem of bad ads. We are also working with the IAB and other industry players to increase awareness of fraudulent traffic and to create standards for managing out bad actors.

Our Work for the Remainder of 2014

There's certainly a lot of work ahead in the second half of 2014, and we'll have a chance to discuss with you in more detail at the Display-wide All Hands, set for tomorrow, July 23. Please come with your questions (here's the <u>dory</u>) and we're looking forward to a lively All Hands and an incredible second half of the year.

<u>Here</u> is a link to the strategy document.

Thanks,
Neal, Scott and Eisar

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